

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF ASHLAND)	
EXPLORATION, INC.)	CASE NO. 91-396

O R D E R

On October 31, 1991, the Commission issued an Order establishing this proceeding to investigate a proposed rate increase by Ashland Exploration, Inc. ("Ashland") and to require Ashland to present evidence at a hearing scheduled December 4, 1991 that its proposed actions were fair, just, and reasonable and in compliance with Commission rules and regulations. Ashland subsequently contacted the Commission by letter requesting that the hearing be postponed and that additional time be granted to allow Ashland to file certain information that was also required by the Commission's Order. By Order dated November 22, 1991, the Commission found that Ashland had substantially complied with paragraphs 1, 2, and 3 of the Commission's Order establishing this case and that the information required in paragraph 4 of the Commission's October 31, 1991 Order should be filed no later than January 14, 1992. The Commission further scheduled a hearing January 21, 1992 at the Commission's offices.

On December 23, 1991, Ashland filed a motion to dismiss, to delay answers to the data request, to cancel the hearing and a memorandum in support of its motion. In its memorandum Ashland

represents that information will be sent to the Division of Producer Regulation of the Federal Energy Regulatory Commission ("FERC") sufficient to allow FERC to make a determination whether the gas sold by Ashland to its domestic customers is subject to a federal maximum lawful price. According to the memorandum, the information must be supplied to FERC by January 13, 1992. FERC is then to review the information provided by Ashland and will make a determination whether the gas sold by Ashland to its domestic customers pursuant to KRS 278.485 is subject to a federal maximum lawful price and if so whether Ashland has the contractual authority to charge that price.

Based upon the information provided in the memorandum, the Commission finds it appropriate to hold a ruling on the motion to dismiss in abeyance pending FERC's determination. The Commission also finds that counsel for Ashland should provide as expeditiously as possible a copy of the information Ashland supplies to FERC on or about January 13, 1992 and should also provide for the record in this proceeding a copy of FERC's determination. Based upon these findings the Commission will cancel the hearing scheduled for January 21, 1992. Ashland should also be relieved of responding to the data requested by the Commission concerning the reasonableness of the proposed rate increase and the lawfulness of its actions pending further orders of this Commission.

IT IS THEREFORE ORDERED that:

1. Ashland's motion to dismiss is hereby held in abeyance pending FERC's determination.

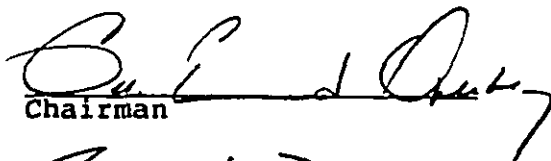
2. Ashland shall make a part of this record copies of all information supplied to the Division of Producer Regulation at FERC no later than five days after said FERC filing and shall also supplement the record with FERC's response no later than five days upon receipt of said response.

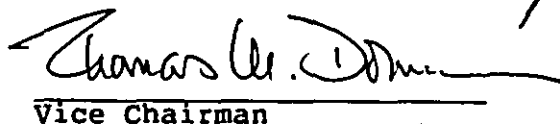
3. The hearing previously scheduled for January 21, 1992 be and it hereby is cancelled.

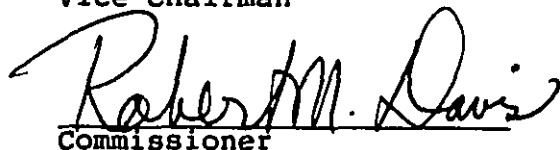
4. Ashland shall be relieved of the prior Commission directive to file information supporting the reasonableness and lawfulness of its rate increase pending further Orders of this Commission.

Done at Frankfort, Kentucky, this 13th day of January, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director